

CONFERENCE COMMITTEE REPORT DIGEST

House Bill No. 497 by Representatives DeWitt and Crane

Digest of Bill as Finally Passed by the House

DeWitt, Crane

HB No. 497

Present constitution authorizes the legislature to create a private, nonprofit corporation to provide workers' compensation insurance and related services.

Proposed constitutional amendment retains the present constitutional authorization and provides for the exclusive methods of dissolution or sale of the corporation. Proposed constitutional amendment also prohibits the enacting of legislation applicable solely to the corporation which would impair its ability to provide Louisiana employers with a competitive workers' compensation insurance market.

Provides for submission of the proposed amendment to the voters at the gubernatorial primary election in 1999.

(Amends Const. Art. XII, §8.1(A))

Summary of Amendments Adopted by the Senate

Senate Floor Amendments to the Reengrossed Bill.

1. Retains the provisions (A) providing that only the policyholders or the commissioner of insurance may terminate the corporation, (B) prohibiting the corporation from being sold, and (C) protecting the corporation from impairing legislation directed exclusively at the corporation; however, with the Senate amendments, these provisions only take effect after the full faith and credit of the state has been extinguished and the corporation has provided certain security.
2. Adds a prohibition against converting the corporation to a domestic stock insurer.
3. Provides that after the extinguishment of the full faith and credit of the state and the retention of security, the corporation shall be subject to all laws regulating domestic mutual insurers.
4. Nullifies the provisions (A) providing that only the policyholders or the commissioner of insurance may terminate the corporation, (B) prohibiting the corporation from being sold, and (C) protecting the corporation from impairing legislation directed exclusively at the corporation upon the failure of the corporation to maintain the security required.
5. Changes the date the proposed constitutional amendment shall be submitted to the electors from the 1999 gubernatorial primary to the 1999 gubernatorial general election.

Digest of Bill as Proposed by Conference Committee

Present constitution authorizes the legislature to create a private, nonprofit corporation to provide workers' compensation insurance and related services.

Proposed constitutional amendment retains the present constitutional authorization.

Proposed constitutional amendment further provides that after the extinguishment of the full faith and credit guarantee of the state: (A) only the policyholders or the commissioner of insurance may dissolve or otherwise terminate the corporation; (B) the corporation cannot be sold or converted to a domestic stock insurer; and (C) no legislation impairing the corporation's ability to provide a competitive market shall be directed exclusively at the corporation.

Proposed constitutional amendment additionally provides that provisions (A), (B), and (C) are nullified if the corporation fails to maintain security required by law to bridge the gap from full faith and credit of the state to full participation in LIGA.

Provides for submission of the proposed amendment to the voters at the gubernatorial general election in 1999.